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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, **Plaintiff,** **-against-** **JASON KUMPF,** **Defendant.**	**16-Civ.- ( )** **COMPLAINT**

Plaintiff Securities and Exchange Commission (the "Commission"), for its Complaint against defendant Jason Kumpf ("Kumpf"), alleges as follows:

SUMMARY OF ALLEGATIONS

1. Beginning as early as January 2009 and continuing through at least September 2010, Costa Rica-based Moneyline Brokers ("Moneyline") and its affiliated nominee entities (collectively "Moneyline Entities"), with other associated individuals, unlawfully operated as a broker-dealer on behalf of U.S.-based customers seeking to conceal their holdings of microcap securities (or penny stocks) and to manipulate the market for these thinly-traded issuers.

2. The customers, working with the Moneyline Entities, penny stock promoters, and other associates, engaged in numerous "pump and dump" schemes, including by manipulatively

trading the shares of microcap stock to create the illusion of genuine investor demand, orchestrating a promotional campaign to artificially inflate the price of the stock, and then selling their shares into the demand that they generated.

3. This action concerns one such scheme: a promotional campaign to unlawfully manipulate the market for shares of Warrior Girl Corporation ("Warrior Girl"), a microcap issuer based in Miami, Florida. More specifically, the misconduct involved making and disseminating false and misleading public statements by Warrior Girl, which purported to be engaged in the business of online education, through filings on the OTC Markets website and press releases.

4. In or about June and July 2010, Defendant Jason Kumpf ("Kumpf"), Warrior Girl's Chief Executive Officer ("CEO"), and other individuals controlling Warrior Girl, among others, knowingly or recklessly drafted and issued a materially false and misleading press release.[1] The press release contained baseless and grandiose projections of Warrior Girl's revenue and falsely stated that Warrior Girl had a "fully licensed" online school.

VIOLATIONS

5. By virtue of the conduct alleged herein, Kumpf violated Sections 17(a)(2) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77q(a)(2)]; and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)].

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[1] In July 2015, the Commission brought a related enforcement action against Moneyline Entities, Warrior Girl, and other associated entities and individuals regarding the scheme alleged herein as well as other schemes. *See SEC v. Harold Bailey "B.J." Gallison, II (a.k.a. Bart Williams), et al.*, Case No. 1:15-cv-05456-GBD (S.D.N.Y.) ("*Gallison*"). Kumpf was not named as a party to that case.

6. Unless enjoined, Kumpf will continue to engage in the acts, practices, and courses of business alleged herein, or in transactions, acts, practices, and courses of business of similar purport and object.

JURISDICTION AND VENUE

7. This court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Sections 21(d)(1), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(1), 78u(e), and 78aa].

8. Venue is proper in the Southern District of New York pursuant to Section 22 of the Securities Act [15 U.S.C. § 77v] and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, transactions, and courses of business alleged herein occurred within the Southern District of New York. For example, shares of Warrior Girl stock transferred to the individuals and entities controlling Warrior Girl were held at the Depository Trust Corporation at 55 Water Street, New York, New York.

9. Kumpf has, directly or indirectly, made use of the means or instrumentalities of interstate commerce, or of the mails, or the facilities of a national securities exchange in connection with the transactions, acts, practices, and courses of business alleged herein.

DEFENDANT

10. **Kumpf**, age 40, a resident of San Francisco, California, was the founder, CEO and president of Advanced Career Education Services ("ACES"). ACES, which purported to be an online education company, was acquired by Warrior Girl in or around May 2010. Kumpf thereafter became Warrior Girl's CEO and a director.

RELATED PARTIES

11. **Moneyline** is a self-described broker-dealer based in Costa Rica. Moneyline conducted its business within the United States (in California, Florida, Nevada, and Washington State) and abroad through U.S. and foreign corporations. On July 14, 2015, Moneyline was named as a defendant in *Gallison*. Moneyline is not registered in any capacity with the Commission. {I am assuming this is true.]

12. **Ann M. Hiskey** ("Hiskey"), a.k.a. Anna Hiskey, age 43, of Costa Rica, is a U.S. citizen. Hiskey was an employee in Moneyline's office in Costa Rica. On July 14, 2015, Hiskey was also named as a defendant in *Gallison*. On March 25, 2016, after pleading guilty to two counts of conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349, Hiskey was sentenced to two years on probation and had a money judgment of $107,197.25 entered against her in *United States v. Ann Marie Hiskey*, No. 1:15-CR-178-3-AJT (E.D. Va.).

13. **Carl H. Kruse Jr.** ("Kruse Jr."), a.k.a. Carl Kruse-Velazquez, age 51, was a resident of Miami, Florida and a dual U.S. and German citizen. He served as an undisclosed control person of Warrior Girl and controlled a number of other entities used to engage in manipulative trading. Kruse Jr. was also named as a defendant in *Gallison*. Kruse Jr. has been indicted for conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349, and securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, in *United States v. Harold Bailey Gallison II, et al.*, No. 1:15-CR-178 (E.D. Va. June 24, 2015).

14. **Carl H. Kruse Sr.** ("Kruse Sr."), age 76, is Kruse Jr.'s father and was a resident of Miami, Florida. Kruse Sr. held himself out as Warrior Girl's principal, employing a variety of

titles including chief executive officer, president, secretary, senior vice president, and a director of Warrior Girl. Kruse Sr. was also named as a defendant in *Gallison*. Kruse Sr. has been indicted for conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1349, and securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, in *United States v. Harold Bailey Gallison II, et al.*, No. 1:15-CR-178 (E.D. Va. June 24, 2015).

15. **Warrior Girl** is a microcap issuer. It was incorporated in Nevada in 2002 and was a shell company until at least June 2010. During the relevant period, Warrior Girl was headquartered in Miami, Florida and controlled by the Kruses. As of 2010, Warrior Girl claimed to be in the business of online education. Warrior Girl is not, and has never been, a reporting company. During the relevant period, Warrior Girl was quoted on OTC Link, operated by OTC Markets Group Inc., under the ticker symbol WRGL. Warrior Girl was also named as a defendant in *Gallison*.

FACTS

The Fraudulent Promotional Campaign and Manipulative Trading of Warrior Girl Stock

16. Since its incorporation, Warrior Girl has changed its line of business several times: from hydroelectric power (2008) to mining and extracting oil from tar sand (2009) to online education (2010) to social media (2012). According to its filings with OTC Markets, during 2009, Warrior Girl had no revenue and *de minimus* assets. As of July 2015, the OTC Markets website listed Warrior Girl's lines of business as "an umbrella and incubator for online [websites] . . . with potential."

17. From at least 2008 through 2011, Warrior Girl was operated by Kruse Sr., who held himself out as Warrior Girl's president, among other titles, and Kruse Jr., who was an

undisclosed control person. Since as early as 2009, the Kruses secretly controlled blocks of Warrior Girl shares and repeatedly and unlawfully pumped up the share price of Warrior Girl stock through fraudulent promotional campaigns.

18. In or around April 2010, Warrior Girl announced that it would acquire ACES, a purported online education provider. Kumpf was the founder and CEO of ACES. In or around May 2010, Warrior Girl again announced the acquisition of ACES, as well as the appointment of Kumpf as Warrior Girl's new CEO.

19. In or around June 2010, as part of Warrior Girl's fraudulent promotional campaign scheme, Kumpf became actively involved in making and disseminating false and misleading public statements by Warrior Girl.

20. On or about June 29, 2010, a Moneyline employee, Hiskey, who was working on Warrior Girl's fraudulent promotions, called Kruse Sr. to seek a positive Warrior Girl press release to tout the stock in time for the Fourth of July holiday. Kruse Sr. told Hiskey to contact Kumpf and told her that Kumpf would have press releases "ready to go."

21. Hiskey called Kumpf the same day and asked him for a "juicy" press release containing glowing company news, ideally about the success of the online school affiliated with ACES and Warrior Girl. In fact, Warrior Girl's online school was not yet even licensed or operational, having been incorporated just three weeks earlier. Kumpf told Hiskey that "I'm not ready . . . from a company standpoint," explaining that "until I get everything up . . . if you do any research [on the company], there is really nothing there" and that any press release at that point would be based on "air." Nonetheless, Kumpf agreed to provide Hiskey with a "strong" press release that touted positive "revenues and statistics."

22. Over the next few days, Kumpf and the Kruses worked together to submit a draft

press release that included false and grandiose projections of Warrior Girl's online school. In the resulting press release issued on or about July 1, 2010, Warrior Girl falsely asserted that its online school was "fully licensed" and forecasted that the school would generate over $2 million the first year, over $8 million the second year, over $27 million the third year, and over $245 million the fifth year. These extraordinary claims, which were materially false and misleading and had no reasonable basis whatsoever, were repeated on multiple promotional internet sites on or about July 1, 2, and 6, 2010.

23. As part of the scheme, between approximately July 2 and 7, 2010, nominees of Moneyline sold a total of 123,500 Warrior Girl shares. In addition, entities controlled by the Kruses sold 61,566 Warrior Girl shares on or about July 14, 2010.

FIRST CLAIM FOR RELIEF
Fraud – Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b) Thereunder

24. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 23, as if fully set forth herein.

25. Kumpf, directly or indirectly, in connection with the purchase or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, or a facility of a national securities exchange, obtained money or property by means of untrue statements of material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

26. By reason of the foregoing, Kumpf has violated, and unless enjoined will again violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)].

SECOND CLAIM FOR RELIEF
Fraud - Violations of Section 17(a)(2) of the Securities Act

27. The Commission realleges and incorporates by reference each and every allegation contained in paragraphs 1 through 23, as if fully set forth herein.

28. Kumpf, directly or indirectly, in the offer or sale of securities, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of untrue statements of material fact or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

29. By reason of the foregoing, Kumpf, singly or in concert, directly or indirectly, has violated, and unless enjoined and restrained will continue to violate, Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court issue a Final Judgment:

I.

Permanently restraining and enjoining defendant Kumpf, and his agents, servants, employees, and attorneys, and all persons in active concert or participation with him who receive actual notice of the injunction by personal service or otherwise, and each of them, from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

II.

Ordering Kumpf to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and/or Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] for violations of the federal securities laws.

III.

Ordering that Kumpf is barred from participation in any offering of a penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and/or Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

IV.

Ordering that Kumpf, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], is barred from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78(l)] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

V.

Granting such other relief as this Court may deem just and appropriate.

Dated: New York, New York
November 4, 2016

By: ______________________
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